

STATE OF OHIO FINANCING PROGRAMS



LUCAS COUNTY
IMPROVEMENT CORP.

Agency/Program

Ohio Direct Loan Program (166)

Eligibility

- User or developer
- Industrial projects preferred

Requirements

- Use for land and building acquisition, expansion or renovation; and equipment purchases
- Create 1 job for every \$25,000 received
- Show repayment and management capabilities
- Ohio prevailing wage rates apply

Rates/Terms

- Up to 30% of eligible fixed costs; \$1 million maximum
- 5% fixed rate for 10 to 15 years
- 10% equity minimum
- 25% bank minimum

Contact

Ohio Department of Development (ODOD), Office of Financial Incentives (OFI), 1-800-848-1300 or (614) 466-5420

Agency/Program

Ohio Enterprise Bond Fund

Eligibility

Industrial or commercial user

Requirements

- Use for land and building acquisition; construction, expansion or renovation; and equipment purchases
- Create or retain jobs
- Show repayment and management capabilities
- Ohio prevailing wage rates apply

Rates/Terms

- For projects between \$1 million and \$10 million
- Rate based on Standard and Poor's A-minus rating, for up to 90% of total project amount
- Long-term, fixed rate for up to 25 years

Contact

ODOD, OFI, 1-800-848-1300 or (614) 466-5420

Agency/Program

Mini-Loan Guarantee Program

Eligibility

- Start-up or existing small businesses with fewer than 25 employees
- 50% of allocation to women- and minority-owned businesses

Requirements

Use for fixed assets and equipment

Rates/Terms

- For expansion projects of less than \$100,000
- 45% guarantee of bank loan
- Minimum loan \$4,500
- Maximum loan \$45,000
- Interest rate of the State guarantee is currently 5.5% fixed
- 10-year maximum

Contact

ODOD, Office of Minority Financial Incentives, 1-800-848-1300 or (614) 644-7708

Agency/Program

Ohio Industrial Training Program (OITP)

Eligibility

Manufacturing businesses

Requirements

- Use for orientation training for new or current workers, management techniques, Statistical Process Control Training, instructor training and linkage with related programs
- Create or retain jobs

Rates/Terms

Up to 50% funding for orientation, training and management programs; instructional materials; and instructor training

Contact

ODOD, OITP, 1-800-848-1300 or (614) 466-4155

Agency/Program

Ohio Job Creation Tax Credit

Eligibility

Ohio businesses engaged in manufacturing, high technology, research and development (R&D), distribution and certain types of services

Requirements

- Create at least 25 new, full-time jobs within 3 years paying at least 150% of Ohio minimum wage
- Make substantial capital investment
- No relocation from one Ohio community to another
- Maintain operations at site for double the length of the credit
- Local community match required

Rates/Terms

- Provides tax credits or rebates on company's corporate franchise tax based on State income taxes withheld from new, full-time employees
- Maximum period of 10 years

Contact

ODOD, OFI, 1-800-848-1300 or (614) 466-5420

Agency/Program

Ohio Linked Deposit Program

Eligibility

Ohio-Headquartered, for-profit companies with less than 150 employees

Requirements

- Use for fixed assets, working capital and refinanced debt
- Create 1 job for every \$15,000 to \$25,000 received
- No out-of-state divisions
- Bank loan from eligible State depository

Rates/Terms

- Up to 3% below current lending rate
- Fixed for 2 years, possible 2-year extension
- Bank may extend term at current rates

Contact

Local financial institutions have been approved at State depositories.

Also contact Treasurer of the State of Ohio, Public Affairs Office, (614) 466-8855

Agency/Program

Ohio Minority Business Direct Loan Program

Eligibility

- Businesses at least 5% minority-owned and controlled
- Organizations in business for at least 1 year

Requirements

- Show repayment ability and management capabilities
- Create 1 job for every \$15,000 received
- Ohio prevailing wage rates apply to construction
- Equity may be required

Rates/Terms

- Up to 40% of project cost or \$700,000, whichever is less, fixed at 3.5%
- Up to 10 years

Contact

ODOD, Minority Development Financing Commission, 1-800-848-1300 or (614) 644-7708

Agency/Program

Ohio Minority Contractor Bonding Program

Eligibility

State-certified minority contractors

Requirements

- Denied a bond by at least 2 surety companies within the current fiscal year
- Economically sound
- Increase employment opportunities or expand minority business enterprise
- Have not defaulted on a previous bond

Rates/Terms

- Maximum bond pre-qualification of \$1 million
- Premium for each bond issued will not exceed 2% of the bond's face value

Contact

ODOD, Minority Development Financing Commission, 1-800-848-1300 or (614) 644-7708

STATE OF OHIO FINANCING PROGRAMS continued 2



LUCAS COUNTY
IMPROVEMENT CORP.

Agency/Program

Ohio Research and Development (R&D) Sales Tax Exemption

Eligibility

Begin or expand R&D efforts

Requirements

- R&D equipment must be capitalized
- Expensed items are not eligible

Rates/Terms

- Exempt from entire State and County sales tax for qualified machinery and equipment primarily used for R&D
- Up to 6.5% tax credit

Contact

Ohio Department of Taxation, Sales and Use Tax Division,
(614) 466-7350

Agency/Program

Ohio Export Tax Credit

Eligibility

- Corporate or individual taxpayers who increase export sales
- Eligible export sales are those that qualify for Foreign Sales Corporation Federal tax treatment

Requirements

- Based on the average increase in export sales during the 2 years prior to claiming the credit
- Ohio payroll or property values must increase by 10% over previous 3 years or credit is reduced

Rates/Terms

- Nonrefundable franchise tax credit
- Credit is capped at \$250,000 per year, maximum of \$3.25 million for life of credit

Contact

ODOD, Office of Tax Incentives, (614) 466-4551
or Department of Taxation, Sales Tax Division,
1-800-282-1780

Agency/Program

Ohio Manufacturing Machinery and Equipment (M&E) Investment Tax Credit

Eligibility

- Companies purchasing new manufacturing machinery and equipment
- Companies retooling (value-added only)

Requirements

- Purchase equipment between July 1, 1995 and December 31, 2001
- Investment must exceed last three years' average investment in the County

Rates/Terms

Credit is 7.5% for companies in nondistressed communities; 13.5% in distressed areas

Contact

ODOD, 1-800-848-1300 or (614) 644-8560

Agency/Program

Ohio Brownfield Site Cleanup Tax Credit

Eligibility

- Clean up "brownfield" or contaminated site in the State
- Commit to reusing the site for economic development

Requirements

- Written documents from local government that redevelopment of the site is a priority and it supports the project
- Eligible activities include environmental studies, brownfield site remediation and asbestos removal from buildings
- Work must be completed by the Ohio Environmental Protection Agency (OEPA)

Rates/Terms

- In a distressed area, maximum credit of \$150,000 per year for 5 years or 10 percent of the cleanup cost per year, whichever is less
- In a nondistressed area, maximum credit of \$100,000 per year for 5 years or 10 percent of the cleanup cost per year, whichever is less
- Up to 5 years

Contact

ODOD, 1-800-848-1300 or (614) 644-8560

Agency/Program

Brownfield Site Cleanup Loans

Eligibility

- Loans available for site assessment and remediation efforts which will protect or improve surface or ground water
- Public and private sectors are eligible applicants
- Asbestos removal and demolition of buildings are eligible

Requirements

- Funds are available through the Ohio Environmental Protection Agency (OPEA), Ohio Water Development Authority (OWDA) and Ohio Department of Development (ODOD) direct loan programs
- Planning loans are available through OWDA for preliminary analysis and site assessments

Rates/Terms

- Low rates based upon level of community distress
- Rates based upon a 4-week average of Bond Buyers 20 CTO Bond Index and are adjusted every 6 months
- Interest for up to 3 years or until OEPA issues a covenant not to sue, whichever comes first

Contact

ODOD, 1-800-848-1300 or (614) 644-8560

Agency/Program

Ohio Discretionary Grant Program (412)

Eligibility

Local communities with infrastructure projects that will result in job creation by local companies

Requirements

- Create jobs
- Company creating jobs and community requiring infrastructure must provide minimal data to the State

Rates/Terms

- \$1,000 per job created
- 50% local match required

Contact

ODOD, 1-800-848-1300 or (614) 644-8560

Agency/Program

Roadwork Development Fund (629)*

Eligibility

Local community with street project that will result in private-sector job creation

Requirements

- Create jobs
- Company creating jobs and community requiring infrastructure must provide minimal data to State

Rates/Terms

- \$1,000 per job
- 50% local match required

Contact

ODOD, 1-800-848-1300 or (614) 644-8560

*Program depends on availability of funds

Agency/Program

Manufacturing Machinery and Equipment Sales Tax Exemption

Eligibility

Includes machinery, equipment, supplies and fuel used primarily in a manufacturing operation to produce tangible personal property for sale.

Requirements

Provide vendor with a blanket exemption certificate

Rates/Terms

- Exempts entire state and county sales tax for purchases of machinery and equipment used primarily for manufacturing
- Provides significant tax savings for companies and individuals that are involved in manufacturing in Ohio

Contact

ODOD, Office of Tax Incentives, (614) 466-4551 or (800) 848-1300, or the Ohio Department of Taxation, Sales Tax Division at (800) 282-1780

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LUCAS COUNTY
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Agency/Program

Warehouse Machinery and Equipment Sales Tax Exemption

Eligibility

Includes machinery and equipment used at least 51% of the time in storing, transporting, mailing or handling inventory in a warehouse, distribution center or similar facility if the inventory handled by the facility is:

- primarily distributed outside Ohio to retail stores owned by the business or affiliated group that owns the Ohio facility; or
- distributed by means of direct marketing

Requirements

- Provide vendor with a blanket exemption certificate
- Eligible warehousing equipment only

Rates/Terms

- Provides significant tax savings for companies purchasing machinery and equipment for warehousing, distribution and direct marketing activities
- Exempts entire state and county sales tax for purchases of eligible machinery and equipment

Contact

ODOD, Office of Tax Incentives, (614) 466-4551 or (800) 848-1300, or the Ohio Department of Taxation, Sales Tax Division at (800) 282-1780

Agency/Program

Warehouse Inventory Tax Exemption

Eligibility

- Inventory brought into Ohio from out of state, held for storage only with no further processing and then distributed back outside of the state, will be subject to a reduced personal tangible property assessment rate
- "Held for Storage Only" is a specific standard of eligibility that may preclude the value of some inventory being shipped directly to customers from qualifying for the reduced assessment rate

Requirements

For those companies with substantial amount of inventory

Rates/Terms

- The current rate is zero percent
- Provides an exemption from the personal property tax on qualifying inventory
- Can claim as part of the Personal Property Tax return

Contact

ODOD, Office of Tax Incentives, (614) 466-4551 or (800) 848-1300, or the Ohio Department of Taxation, Sales Tax Division at (800) 282-1780